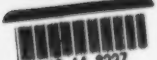

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There are no exhibits

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

O 4350
Q 35058

FORM 10-Q

BEST COPY AVAILABLE

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992

#92-22606

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

PROCESSED BY
MAY 15 1992

Commission file numbers 2-69338-X, 2-71536, 2-90290 and 33-34281

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GOLDEN CORRAL RESTAURANT JOINT VENTURES
(Exact name of registrant as specified in its charter)

North Carolina
(State or other jurisdiction of incorporation or organization)

N/A
(I.R.S. Employer Identification No.)

5151 Glenwood Avenue, Raleigh, NC
(Address of principal executive offices)

27612
(Zip Code)

Registrant's telephone number, including area code (919) 781-9310

N/A
Former name, former address and former fiscal year, if changed since last report.

Indicate by check ✓ whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past XXX 90 days. Yes ✓ No ____

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ____ No ____

APPLICABLE ONLY TO CORPORATE ISSUERS: Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date _____.

PART I

Item 1. Financial Statements

The information furnished in the accompanying Combined Balance Sheets, Combined Statements of Earnings and Joint Venturers' Deficiency and Combined Statements of Cash Flows of the Golden Corral Restaurant Joint Ventures ("RJVs") include the accounts of those restaurant joint venture operations in which Golden Corral Corporation ("GCC") held an interest during the periods presented and offered 5% ownership interests for sale, and reflect all normal recurring adjustments which are, in the opinion of management, necessary for a fair statement of the results of operations and financial condition for the interim periods. The accompanying financial statements should be read in conjunction with the financial statemsnts and notes thereto for the year ended December 31, 1991, included in the combined Restaurant Joint Ventures' Annual Report on Form 10-K (File Nos. 2-69338, 2-71536, 2-90290, and 33-34281), filed with the Securities and Exchange Commission on March 30, 1992.

GOLDEN CORRAL RESTAURANT JOINT VENTURES
COMBINED BALANCE SHEETS

	March 31 1992	December 31 1991
Assets		
Current Assets		
Cash	$ 2,800,928	$ 3,471,334
Trade accounts receivable	645,829	538,634
Inventories	4,277,993	3,875,288
Other	459,489	271,771
	8,184,239	8,157,027
Buildings Under Capital Leases	49,855,985	53,707,283
Less accumulated amortization	21,861,663	22,714,676
	27,994,322	30,992,607
Other Assets	255,827	266,267
	$ 36,434,388	$ 39,415,901
Liabilities and Joint Venturers' Deficiency		
Current Liabilities		
Accounts payable	$ 3,771,331	$ 3,283,322
Due Golden Corral Corporation	6,190,622	6,925,906
Current portion of capital lease obligations	1,856,561	1,914,188
Accrued expenses		
Salaries and wages	2,921,702	2,800,670
Taxes	3,164,054	2,988,332
Rent	711,274	1,449,694
Interest	409,385	448,332
Other	661,727	1,313,966
	7,868,142	9,000,994
	19,686,656	21,124,410
Noncurrent Portion of Capital Lease Obligations	37,458,425	41,086,191
Joint Venturers' Deficiency		
Golden Corral Corporation	(17,086,288)	(19,636,648)
Other joint venturers	(3,624,405)	(3,158,052)
	(20,710,693)	(22,794,700)
	$ 36,434,388	$ 39,415,901

GOLDEN CORRAL RESTAURANT JOINT VENTURES
COMBINED STATEMENTS OF EARNINGS AND JOINT VENTURERS' DEFICIENCY

	Three Months Ended	
	March 31 1992	March 31 1991
Net Sales	$ 78,305,732	$ 85,616,105
Operating Costs and Expenses		
Food Costs	29,518,748	32,943,562
Labor and other operating expenses	30,047,954	32,651,952
Rent expense paid to:		
Golden Corral Corporation	4,689,705	5,300,204
Officers and directors of Golden Corral Corporation	39,833	54,162
Others	3,368,493	4,024,596
Advertising	1,775,252	1,810,340
General and administrative expenses paid to Golden Corral Corporation	3,914,999	4,280,205
Amortization of buildings under capital leases	644,983	758,446
	73,999,967	81,823,467
Operating Income	4,305,765	3,792,638
Other Deductions (Income)		
Interest expense on capital leases	1,285,990	1,584,516
Gain on termination of capital leases	(920,339)	(280,265)
	365,651	1,304,251
Net Earnings	3,940,114	2,488,387
Joint Venturers' Deficiency, Beginning	(22,794,700)	(30,798,956)
Capital Contributions	4,904,402	4,742,559
Distributions to Joint Venturers	(6,760,509)	(5,552,816)
Joint Venturers' Deficiency, Ending	$ (20,710,693)	$ (29,120,826)

GOLDEN CORRAL RESTAURANT JOINT VENTURES
COMBINED STATEMENTS OF CASH FLOWS

	Three Months Ended	
	March 31 1992	March 31 1991
Cash Flows from Operating Activities		
Net Earnings	$ 3,940,114	$ 2,488,387
Noncash Items Included In Earnings		
Amortization	644,983	758,446
Gain on termination of capital leases	(920,339)	(280,265)
Increase (Decrease) In Cash Due To Changes In		
Trade accounts receivable	(107,195)	(35,645)
Inventories	(402,705)	311,714
Other current assets	(187,718)	(194,187)
Accounts payable	488,009	826,619
Due Golden Corral Corporation	(735,284)	304,981
Accrued expenses	(1,093,905)	(1,215,451)
	1,625,960	2,964,599
Cash Flows From Investing Activities		
Decrease In Other Assets	10,440	4,424
Cash Flows From Financing Activities		
Payments on capital leases	(450,699)	(467,608)
Capital contibutions received	4,904,402	4,742,559
Distributions to joint venturers	(6,760,509)	(5,552,816)
	(2,306,806)	(1,277,865)
Net (Decrease) Increase In Cash	(670,406)	1,691,158
Cash, Beginning	3,471,334	6,683,961
Cash, Ending	$ 2,800,928	$ 8,375,119
Supplemental Disclosures of Cash Flow Information		
Cash Paid During the Period For		
Interest	$ 1,324,937	$ 1,604,523
Supplemental Schedule of Noncash Investing And Financing Activites		
Capital Leases Terminated		
Net building	$ (2,353,302)	$ (1,138,247)
Capital lease obligation	3,273,641	1,418,512
Gain on termination	(920,339)	(280,265)
Net effect on cash	$ —	$ —

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

The number of Golden Corral RJVs at March 31 and changes during the three month periods then ended were:

	Three Months Ended	
	March 1992	March 1991
Beginning	327	388
Opened	-	-
Closed	16	15
Franchised	9	7
Ending	302	366

GCC did not open any new RJV restaurants during the three month period ending March 31, 1992, and does not anticipate opening any new RJV restaurants during the remainder of 1992. The majority of the RJVs are located in small to medium-sized towns and suburban areas. GCC is currently concentrating its efforts in larger markets, utilizing a new, larger building design. GCC does not offer for sale Restaurant Interests in these restaurants. As of March 31, 1992, GCC had opened 27 such larger restaurants, and anticipates that it will open approximately 13 more such restaurants during 1992, some of which may be in the market areas of existing RJV restaurants.

Under GCC's current policies, an RJV is closed when GCC believes the economic vitality of the location is insufficient to support profitable operations, or where GCC believes the continued operation of such restaurant cannot be economically justified following the opening of a substantially larger restaurant. The economic vitality of a location is affected by a variety of factors, including changes in competition, demographics and the local economy. GCC expects to close an additional 4 RJVs during 1992.

GCC may elect to convert certain RJVs to franchise units. Golden Corral Franchising Systems, Inc. ("GCFS"), a wholly-owned subsidiary of GCC, offers qualified applicants the opportunity to operate new or existing Golden Corral restaurants pursuant to franchise agreements. Sixty-eight franchised

restaurants were open as of March 31, 1992, and GCC expects to expand the number of franchised restaurants to 95 during 1992 primarily through conversion of existing RJVs.

GCC may also elect to convert certain RJVs to other restaurant concepts developed by GCC or an affiliate.

The decrease in the number of restaurants accounts principally for the decrease in aggregate net revenues.

Average net revenues per restaurant, on a comparable store basis, were $249,022 in the first quarter of 1992 compared to $237,193 for the corresponding period of 1991. The increase was due to a 1.6% increase in the average number of customers served and a 3.5% increase in the average sale per customer during the first quarter of 1992 compared to the same quarter last year. GCC is unable to predict the impact of factors affecting future average net revenues per RJV which include the quality of RJV management, general economic conditions, the effect of marketing programs, and the extent to which GCC is able to increase the average sale per customer without incurring customer resistance.

Food costs are the principal operating cost of the RJVs. Food costs as a percentage of sales were 37.7% for the first quarter of 1992, compared to 38.5% for the first quarter of 1991. The decrease in 1992 as a percentage of sales was due primarily to favorable meat and produce prices. Although GCC anticipates that food prices will generally increase over a period of years, it cannot predict any specific, short-term price fluctuations.

Operating costs and expenses other than food costs have declined to $44,481,219 for the first quarter of 1992 from $48,879,905 for the same period of 1991. As a percentage of sales, such other operating costs and expenses have decreased to 56.8% for the first quarter of 1992, from 57.1% for the first quarter of 1991. The decrease in the first quarter of 1992 as a percentage of sales was due primarily to a decrease in building and equipment rent expense, partially offset by an increase in building and equipment maintenance. GCC anticipates such operating costs and expenses other than food costs to remain relatively constant for the remainder of 1992. Other operating expenses as a percentage of sales will, in the future, depend on average net revenues per restaurant and GCC's ability to control variable operating expenses.

Aggregate net earnings as a percentage of sales were 5.0% for the first three months of 1992 compared to 2.9% for the first three months of 1991. Aggregate net earnings as a percentage of sales were favorably impacted by the closing or conversion of certain RJVs under GCC's current policies, and b gains recognized on termination of capital leases.

Capital Resources

The individual RJVs have no commitments for capital resources, except commitments for minimum rental payments under capitalized and operating real estate and equipment leases. These commitments are financed from the operating revenues of the individual RJVs, which are believed to be adequate for this purpose.

Liquidity

The liquidity of RJVs is dependent on their operation as profitable entities. Because each RJV has no capital and few tangible assets, liquidity problems can occur if significant recurring losses are incurred. It is GCC's current policy to advance to RJVs the necessary funds, without interest, to continue operations and to require the other joint venturers to extinguish their proportionate share of losses, if any, on a quarterly basis. There can be no assurance, however, that GCC will continue this policy. The liquidity of the individual RJVs is not interdependent and operating losses of one RJV have no effect on the operations of any other RJV.

PART II - OTHER INFORMATION

Not Applicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

GOLDEN CORRAL RESTAURANT JOINT VENTURES

By: Golden Corral Corporation

Date: May 12, 1992

C. Lamar Bell
Vice President of Finance
(Authorized Officer and Principal Financial Officer)